

## UDOT Project Insurance Basics

Here are some basic rules for determining the type of Insurance coverage to use when designing a UDOT project and what provisions are needed for assembly of the Contract Special Provisions book.

Here are some things to consider when selecting the ‘Type’ of coverage to use.

### Type 1:

#### Contractor Supplied

- Type of insurance used on projects with an estimated construction cost of less than \$4,000,000.00.
- Traditional method where Contractor provides insurance coverage based on required coverage limits listed in current version of 00820 Supplemental Specification.
- Coverage and limits can be modified by UDOT’s Risk Mgmt. Group through the required Risk Assessment process.

#### Advertising Requirements:

Copy of Risk Assessment  
00820 Supplemental in project book  
00820 Special Provision (only required if basic required coverage has been modified by Risk Mgmt.)

---

### Type 2: Insurance Option; Contractor Supplied or OCIP

- For all projects greater than \$4,000,000.00 that the Department has not selected as OCIP only projects (Owner Controlled Insurance Policy)
- Coverage and limits can be modified by UDOT’s Risk Mgmt. Group through the required Risk Assessment process.
- Contractor chooses which Type of insurance to use at time of bid

#### Advertising Requirements:

Alternate Bid Option for insurance in Engineer’s Estimate ([see instructions](#))  
Copy of Risk Assessment  
00820 Supplemental in project book  
00820 Special Provision (only required if basic required coverage or limits (00820 Supp.) has been modified by Risk Mgmt.)

---

### Type 3: OCIP only

- Projects with a bid value greater than \$50,000,000.00
  - Can be used on smaller projects when Risk Assessment identifies higher potential for Departmental Risk.
- May be recommended by Risk Mgmt. On Projects < \$50,000,000. Final Decision by Project Manager

#### Advertising Requirements:

Copy of Risk Assessment  
00820 Supplemental in project book  
00820 Special Provision in project book to revise section 1.16 ([recommended verbage](#))  
OCIP General Conditions in project book ([example of Table of Contents](#))

## **Project insurance option**

Projects with a contract value of \$3 million or less are not eligible for OCIP. Since occasionally the low bid is significantly below the Engineer's estimate, only contracts with an Engineer's estimate greater than \$4 million dollars shall include the option for a contractor to choose either OCIP or Contractor supplied insurance. This will be done on projects meeting the above criteria, submitted for advertising after November 15, 2005, by adding alternate bid items to the Engineers Estimate in PDBS under the Innovative Contracting detail as described in the attached instructions. Contact Thomas LeHolm, 801-965-4344, or email; [tleholm@utah.gov](mailto:tleholm@utah.gov) if you have any questions.

If the contractor chooses to enroll in OCIP, the contractor will enter a value equal to 3% of the Contractor's total bid in the OCIP line item. This will be used for determination of low bid only. This will not be a pay item and will not be considered as part of the project budget for comparison against the commission approved funding. Contingency in the project budget will not be required for this item. The assumption is that if a contractor chooses to enroll in OCIP, the overall costs of the project will be less than it would have been if the contractor provided his own insurance. This reduction in the bid can be used to fund the OCIP.

**PDBS Instruction for  
Alternate Bid Option  
OCIP vs. Contractor Supplied Insurance**

1. Select 109- INNOVATIVE CONTRACTING Detail for Alternate Bid # 1. You can leave the 'Description' column blank if you want. If you do use a Description, both Alternate Detail Descriptions must be the same.
2. Enter Alt. Bid Grp # 1 & Alt. Bid #1
3. Enter Item from lookup table and modify Item Description for Project Insurance – Contractor Supplied.
4. Enter Unit Price of \$1.00
5. Select 109- INNOVATIVE CONTRACTING Detail for Alternate Bid # 2.
6. Enter Alt. Bid Grp #1 & Alt. Bid #2
7. Enter Item from lookup table and modify Item # (increase by 1) and Item Description; Project Insurance – OCIP.
8. Enter Unit Price of \$1.00

Select Project

ZZZ-READVERTISE

Version 1: All Editing Rights

Estimate Setup

Detail	Description	Alt Bid Grp #	Alt Bid #	Funding	Total
76 - MISC NON-BID	INCENTIVES	0	0		\$5,000.00
77 - MISC NON-BID: UDOT CONT		0	0		\$1,000.00
95 - CONSTRUCTION ENGINEER		0	0		\$15,000.00
97 - PRELIMINARY ENGINEERING		0	0		\$11,000.00
109 - INNOVATIVE CONTRACTING	Alternate Bid item	1	1		\$1.00
109 - INNOVATIVE CONTRACTING	Alternate Bid item	1	2		\$0.00

Item #	Description	Qty	UOM	Lump Qty	Lump Uom	Unit Price	Extended Price
00221000*	Project Insurance - Contractor Supplied	1	Lump	.0		\$1.00	\$1.00

Select Project

ZZZ-READVERTISE

Version 1: All Editing Rights

Estimate Setup

Detail	Description	Alt Bid Grp #	Alt Bid #	Funding	Total
76 - MISC NON-BID	INCENTIVES	0	0		\$5,000.00
77 - MISC NON-BID: UDOT CONT		0	0		\$1,000.00
95 - CONSTRUCTION ENGINEERING		0	0		\$15,000.00
97 - PRELIMINARY ENGINEERING		0	0		\$11,000.00
109 - INNOVATIVE CONTRACTING	Alternate Bid item	1	1		\$1.00
109 - INNOVATIVE CONTRACTING	Alternate Bid item	1	2		\$0.00

Item #	Description	Qty	UOM	Lump Qty	Lump Uom	Unit Price	Extended Price
00221001*	Project Insurance - OCIP	1	Lump	.0		\$1.00	\$1.00

# Eng. Estimate Report

Engineer's Estimate Report		Engineer's Estimate Funding	
<b>Engineer's Estimate (Innovative Contracting)</b> <b>Utah Department of Transportation</b>			
Project Number: ZZZ-READVERTIZE		Road Length: mi	
Name of Project: READVERTIZED PROJECT DUMMY PLACE HOLDER		Pavement Surface Width: ft	
Version #: 1		Route: 0999	
County: SALT LAKE		Ref Post Begin: 0+0.00	
Region: REGION 2		Ref Post End: 0+0.00	
Unit of Measure: CSI - INCH/POUND		Designed By:	
Concept: SEE ORIGINAL PROJECT		Checked By:	
		Bid Open Date: 08/16/2005	
Detail	Alt Group	Alt #	Description
<b>109 - INNOVATIVE CONTRACTING</b>	1	1	Alternate Bid Item
Number	Item Number	Description	Quantity Unit Unit Price Amount
15	00221000*	Project Insurance - Contractor Supplied	1 Lump \$1.00 \$1.00
			Subtotal: \$1.00
Detail	Alt Group	Alt #	Description
<b>109 - INNOVATIVE CONTRACTING</b>	1	2	Alternate Bid Item
Number	Item Number	Description	Quantity Unit Unit Price Amount
16	00221001*	Project Insurance - OCIP	1 Lump \$1.00 \$1.00
			Subtotal: \$1.00
Funding:			
Contract Amount(Excluding Innovative Contracting):			\$102,789.50
Subtotal (Contract Amount):			\$102,789.50

The Advertising Section will add a **\*\*Note\*\*** to the Cover page notifying the Contractor of the Special Bidding Instructions contained in Supp. Spec 00820M. The new 00820M supplemental must be included in the contract documents. The UDOT OCIP General Conditions is added by reference; 00820M Section 1.2(C), and can be found on our website; <http://www.dot.utah.gov/index.php?m=c&tid=333> or via a link on the Standards Webpage 2005 Special Provision references at; <http://www.udot.utah.gov/index.php/m=c/tid=719>  
Additional coverage identified through a Risk Assessment (such as Railroad Protective) would need to be added to the required coverage(s) under Alternate #1, in an 00820M Special Provision.

## **SPECIAL PROVISIONS & SUPPLEMENTAL SPECIFICATIONS**

CSI-Inch/Pound

Project No:	ZZZ-READVERTISE
Name:	READVERTIZED PROJECT DUMMY PLACE HOLDER
	SEE ORIGINAL PROJECT
County:	SALT LAKE
Bid Opening:	August 16, 2005
	Date

**\*\*\*IMPORTANT\*\*\***  
SPECIAL BIDDING INSTRUCTIONS CONCERNING PROJECT INSURANCE  
COVERAGE IS INCLUDED IN SPECIAL PROVISION 00820M - LEGAL RELATIONS  
AND RESPONSIBILITY TO THE PUBLIC. PLEASE READ VERY CAREFULLY  
BEFORE SUBMITTING YOUR BID.



**Contractors EBS:** The Contractor will enter a value in one of the Alternates.

Example: Contractor selected Alt. 2 – OCIP; entering 3% of Total Bid (A amount; \$136,370.00) per Special Provision 00820M.

**UDOT Electronic Bid System: Program Version 5.04 - Brinkerhoff Excavating - ZZZ-READVERTIZ**

Project DBE Profile Bid Bidders List Transmit Bid Web Window Help

Project Ito ZZZ-READVERTIZE Bid Item Version# 1 Bid Date 09/16/2005

Name READVERTIZED PROJECT DUMMY PLACE HOLDER

Concept SEE ORIGINAL PROJECT

Project DBE Goal N/A

Unit Price Entered	No Unit Price Entered	Alt. Item - Editable	Alt Item - No Edit	Fixed Price Item
<b>Total Bid</b>				<b>\$140,461.10</b>
Item Ito.	Unit	Quantity	Unit Price	Unit Price * Qty
Underdrain Granular Backfill				
13 020610030	ton	200	\$21.00	\$4,200.00
Geotextiles - Drainage				
14 020750030	square yard	200	\$235.00	\$47,000.00
<b>Subtotal 10 - ROADWAY</b>				<b>\$136,370.00</b>
<b>109 - INNOVATIVE CONTRACTING - Alternate Group 1</b>				
<b>Description: Alternate Bid item</b>				
Project Insurance - Contractor Supplied				
15 00221000* <b>Alternate # 1</b>	jump sum	1	\$0.00	\$0.00
Project Insurance - OCIP				
16 00221001* <b>Alternate # 2</b>	jump sum	1	\$4,091.10	\$4,091.10
<b>Subtotal 109 - INNOVATIVE CONTRACTING - Alternate Group 1</b>				<b>\$4,091.10</b>
<b>A: Total Bid (Excluding Innovative Contracting)</b>				<b>\$136,370.00</b>
<b>B: Innovative Contracting</b>				<b>\$4,091.10</b>
<b>Total Bid for Award Consideration</b>				<b>\$140,461.10</b>

# **EXAMPLE**

Special Provision

6/28/2007

Special Provision

Project #

SECTION 00820M

## **LEGAL RELATIONS AND RESPONSIBILITY TO PUBLIC**

**Delete Article 1.16 and replace with the following:**

### **1.16 INSURANCE REQUIREMENTS:**

#### **A. Use Owner Provided Insurance Program (OCIP)**

Refer to the UDOT Owner Controlled Insurance Program (OCIP) General Conditions, provided as part of this document, for coverage limits and conditions.

Additional OCIP enrollment forms and manual can be downloaded from the UDOT website at: <http://www.udot.utah.gov/main/f?p=100:pg:::V,T:,333>

# EXAMPLE

## Table of Contents

SP-0067(11)0 Green Book

- 2005 - U.S. Standard Units (Inch-Pound Units) September 15, 2006
  - Table of Contents
    - I. 2005 Standard Specifications
    - II. List of Revised Standard Drawings
    - III. Materials Minimum Sampling and Testing
    - IV. Notice to Contractors
    - V. Bidding Schedule
    - VI. Measurement and Payment
    - VII. Equal Opportunity (State Projects)
    - VIII. OCIP General Conditions**
      - Special Provisions and Supplemental Specifications
        - 00250S-Pre-Bid Conference
        - 00515M-Award and Execution of Contracts
        - 00555S Prosecution & Progress
        - 00725M-Scope of Work
        - 00725M-Scope of Work (Supplemental Specification)
        - 00726S-Incentive Award Program
        - 00727S Control of Work
        - 00730S-Dispute Resolution Board (DRB)
        - 00820M-Legal Relations and Responsibility to Public
        - 00820M-Legal Relations and Responsibility to Public (Supplemental Specification)
        - 01280M-Measurement (Supplemental Specification)
        - 01282M-Payment
        - 01282M-Payment (Supplemental Specification)
        - 01285M Mobilization
        - 01315S-Public Information Services
        - 01355S-Environmental Protection
        - 01452M-Profilograph and Pavement Smoothness (Supplemental Specification)